

IN THE SENATE

SENATE BILL NO. 1089

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

RELATING TO VEHICLE TITLES; AMENDING SECTION 49-524, IDAHO CODE, TO PROVIDE REQUIREMENTS TO ALLOW A CERTAIN INSURER OR SALVAGE POOL TO ISSUE A SALVAGE CERTIFICATE TO A PURCHASER WITHOUT HAVING FIRST OBTAINED A PROPERLY RELEASED CERTIFICATE OF ORIGIN OR CERTIFICATE OF TITLE.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 49-524, Idaho Code, be, and the same is hereby amended to read as follows:

49-524. SALVAGE CERTIFICATE OF OWNERSHIP OR ELECTRONIC FILE TO REPLACE CERTIFICATE OF TITLE OR CERTIFICATE OF ORIGIN ON VEHICLES. (1) Every person acquiring a vehicle which has been determined to be a salvage vehicle, shall obtain a salvage certificate of ownership on that vehicle.

(2) The salvage certificate shall replace the certificate of origin, certificate of title or other comparable ownership document and shall indicate ownership only; it shall not be valid for registration purposes.

(3) A salvage certificate of ownership shall be issued by the department or under the direction of the department and shall be on a form or electronic file as prescribed by the department. The form or electronic file shall provide for assignments of the salvage certificate.

(4) The fee for a salvage certificate or electronic filing of a salvage certificate shall be fifteen dollars (\$15.00). The fee shall be deposited in the state highway account.

(5) Every insurer making payment for a vehicle which has been determined to be a salvage vehicle, shall within thirty (30) days from receipt of the properly released certificate of origin or certificate of title, issue a salvage certificate to the purchaser and surrender to the department the ownership documents, a copy of the salvage certificate, the salvage certificate fee and other documents as required by the department for processing. The department shall mark its records appropriately.

(6) If a salvage pool receives a certificate of title for a vehicle which has been determined to be a salvage vehicle, he shall within thirty (30) days and upon receipt of the properly released certificate of origin or certificate of title, issue a salvage certificate to the purchaser and surrender to the department the ownership documents, a copy of the salvage certificate, the salvage certificate fee and other documents as required by the department for processing. The department shall mark its records appropriately.

(7) If an insurer making payment for a salvage vehicle, or a salvage pool, is unable to obtain a properly released certificate of origin or certificate of title for the salvage vehicle within thirty (30) days after the verbal or written acceptance by the owner of an amount in settlement of a total loss, then such insurer or salvage pool may issue a salvage certificate

to the purchaser without having first obtained the properly released certificate of origin or certificate of title. Within ten (10) days of the issuance of a salvage certificate to the purchaser, the insurer or the salvage pool shall submit to the department the following: a sworn statement that it made at least two (2) written attempts to obtain from the owner the properly released manufacturer's certificate of origin, manufacturer's statement of origin or certificate of title, by sending notice to the owner at the owner's address of record with the department; a copy of each such written attempt; proper evidence of the satisfaction or discharge of any lien or encumbrance; a copy of the salvage certificate; the salvage certificate fee; and other documents as required by the department for processing. The department shall mark its records appropriately.

(8) It is a misdemeanor, punishable by up to six (6) months in jail, a fine of one thousand dollars (\$1,000) or both, if the owner of a retained salvage vehicle fails to surrender the title and be issued a salvage certificate, or to sell the vehicle and not tell the buyer that the vehicle is totaled.

(89) If an insurer has allowed the owner to retain ownership of the salvage vehicle, the owner must surrender the certificate of title for such vehicle to the department or the insurance company not later than thirty (30) days from the date that the claim was satisfied. The insurer must notify the department of a total loss payoff. The insurer or department shall issue a salvage certificate to the owner prior to any sale or disposition of the salvage vehicle.

(910) If an insurer acquires the certificate of title of a vehicle in a settlement of a theft claim, the insurer shall immediately, upon receipt of the properly released certificate of origin or certificate of title, issue a salvage certificate in the name of the insurer and surrender to the department the ownership documents, a copy of the salvage certificate, the salvage certificate fee and other documents as required by the department for processing.

(101) If an insurer has acquired a vehicle in a settlement of a theft claim, has made application to and has been issued a new salvage certificate in the name of the insurer and the vehicle is subsequently recovered and is not a salvage vehicle, the insurer may complete an affidavit indemnifying the department stating the facts of acquisition and disposition of the vehicle in a form prescribed by the department and deliver the salvage certificate of ownership, affidavit and any other documents required by the department to the transferee at the time of delivery of the vehicle. A notation of "theft recovery" shall be made on the title record.

(112) Any person acquiring ownership of a salvage vehicle purchased in a state or jurisdiction which does not require surrender of the certificate of title or comparable ownership document shall, within thirty (30) days following delivery of the certificate of title or ownership document, surrender such title or document to the department and apply for a salvage certificate.

(123) An owner of a salvage vehicle who sells or transfers said vehicle shall provide a properly executed assignment of the salvage certificate of ownership to the transferee.

(134) A purchaser of a salvage vehicle shall not possess or retain a salvage vehicle without a salvage certificate. The salvage vehicle purchaser

1 shall display the salvage certificate upon the request of any peace officer
2 or agent of the department.